

AAFP Statement: AAFP Supports Draft Legislation to Repeal SGR and Reform Medicare Payment for Physicians

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Statement Attributable to:
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“The American Academy of Family Physicians applauds the House Energy and Commerce Health Subcommittee’s bipartisan draft legislation to repeal Medicare’s sustainable growth rate formula, stabilize physician payment for five years, and set our health care system on the path to coordinated and cost-effective care.

“This proposed legislation abolishes a formula that has, for a decade, threatened to slash payment for medical services and has destabilized elderly patients’ health security. Moreover, it calls for an annual increase in payment over the next five years, enabling physicians to make long-term plans that are essential to making their practices more patient centered. Together, these provisions set the stage for reforms that will build on the patient-centered medical home and strengthen the comprehensive, preventive, coordinated and accessible care our country’s needs.

“We are particularly pleased the draft includes expedited recognition of patient-centered medical homes as an approved alternative payment model for medical practices. We further applaud the subcommittee for designating medical homes as eligible for care coordination fees for patients with complex chronic diseases. Study after study has demonstrated that PCMHs improve the quality of care, help control the escalating cost of health care and increase access to services. By providing a care coordination fee for PCMHs, the draft legislation compensates for the additional expertise and time required to care for patients with complex and chronic conditions. The subcommittee’s draft has taken an important step toward recognizing the value of continuous and comprehensive primary care, provided through a medical home, to patients with complex chronic disease, and we urge Congress to acknowledge the value of the medical home for all patients.

“Also important, the draft legislation calls on the Secretary of Health and Human Services to identify and adjust misvalued payment codes. Although this is only an early step that will require additional attention, this provision recognizes that physician payment codes no longer accurately describe the expertise, time and investment of services they describe. Accuracy in payment codes is vital to ensuring that patients receive the services they need and don’t pay more than they should.

“We are disappointed that the subcommittee’s draft does not include a provision to specify a higher base payment rate for those services provided by primary care physicians. We continue to believe that primary care offers the most substantial mechanism to improve health care quality overall and reduce the growth of health care costs, and that the current fee schedule fails to accurately capture the complexity of modern primary care services.

“Nonetheless, with this draft legislation, the Energy and Commerce Health Subcommittee has made solid progress in meaningful reforms that provide health security for elderly and disabled patients and restrain costs. We welcome the effort and look forward to working with Congress to finish this important reform of the Medicare payment system.”

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About the American Academy of Family Physicians

Founded in 1947, the AAFP represents 110,600 physicians and medical students nationwide. It is the only medical society devoted solely to primary care.

Approximately one in four of all office visits are made to family physicians. That is 240 million office visits each year — nearly 87 million more than the next largest medical specialty. Today, family physicians provide more care for America’s underserved and rural populations than any other medical specialty. Family medicine’s cornerstone is an ongoing, personal patient-physician relationship focused on integrated care.

To learn more about the specialty of family medicine, the AAFP's positions on issues and clinical care, and for downloadable multi-media highlighting family medicine, visit www.aafp.org/media. For information about health care, health conditions, and wellness, please visit the AAFP’s award-winning consumer website, www.familydoctor.org.